

## UNITED STATES DISTRICT COURT

Southern District of New York

UNITED STATES OF AMERICA

v.

S.A.C. CAPITAL ADVISORS, L.P.

## JUDGMENT IN A CRIMINAL CASE

Case Number: 01:13crim541-01 (LTS)

USM Number: NONE

Martin Klotz, Esq.  
Defendant's Attorney

## THE DEFENDANT:

☒ pleaded guilty to count(s) One (1) and Two (2).☐ pleaded nolo contendere to count(s)  
which was accepted by the court.☐ was found guilty on count(s)  
after a plea of not guilty.

The defendant is adjudicated guilty of these offenses:

| Title & Section   | Nature of Offense | Offense Ended | Count   |
|---|-------------------|---------------|---------|
| 18 USC 1343 and 2   | Wire fraud.       | 2010          | One (1) |
| 15 USC 78j(b) and 78ff;<br>17 CFR 240.10b-5 and<br>240.10b5-2; and 18 USC 2 | Securities fraud. | 2010          | Two (2) |

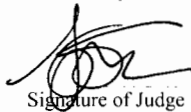
The defendant is sentenced as provided in pages 2 through 5 of this judgment. The sentence is imposed pursuant to the Sentencing Reform Act of 1984.

☐ The defendant has been found not guilty on count(s)☐ Count(s) ☐ is ☐ are dismissed on the motion of the United States.☐ Underlying Indictment(s) ☐ is ☐ are dismissed on the motion of the United States.

It is ordered that the defendant must notify the United States attorney for this district within 30 days of any change of name, residence, or mailing address until all fines, restitution, costs, and special assessments imposed by this judgment are fully paid. If ordered to pay restitution, the defendant must notify the court and United States attorney of material changes in economic circumstances.

April 10, 2014

Date of Imposition of Judgment



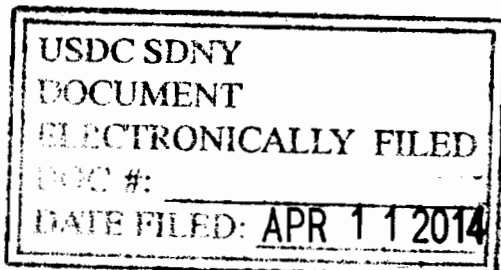
Signature of Judge

Laura Taylor Swain, U.S.D.J.

Name and Title of Judge

April 11, 2014

Date



DEFENDANT: S.A.C. CAPITAL ADVISORS, L.P.  
CASE NUMBER: 01:13crim541-01 (LTS)

## PROBATION

The defendant is hereby sentenced to probation for a term of: 5 years as to each of Counts One (1) and Two (2), to run concurrently.

Subject to the provisions of, 18 U.S.C. § 3564 (c), the probationary period shall be terminated and any remaining term discharged upon the Court's determination that Defendant has (i) been dissolved or (ii) has ceased conducting any securities trading or asset management business.

The defendant shall not commit another federal, state or local crime.

~~The defendant shall not unlawfully possess a controlled substance. The defendant shall refrain from any unlawful use of a controlled substance. The defendant shall submit to one drug test within 15 days of placement on probation and at least two periodic drug tests thereafter, as determined by the court.~~

- ☐ The above drug testing condition is suspended, based on the court's determination that the defendant poses a low risk of future substance abuse. *(Check, if applicable.)*
- ☐ The defendant shall not possess a firearm, ammunition, destructive device, or any other dangerous weapon. *(Check, if applicable.)*
- ☐ The defendant shall cooperate in the collection of DNA as directed by the probation officer. *(Check, if applicable.)*
- ☐ The defendant shall comply with the requirements of the Sex Offender Registration and Notification Act (42 U.S.C. § 16901, *et seq.*) as directed by the probation officer, the Bureau of Prisons, or any state sex offender registration agency in which he or she resides, works, is a student, or was convicted of a qualifying offense. *(Check, if applicable.)*
- ☒ ~~The defendant shall participate in an approved program for domestic violence. *(Check, if applicable.)*~~

If this judgment imposes a fine or restitution, it is a condition of probation that the defendant pay in accordance with the Schedule of Payments sheet of this judgment.

~~The defendant must comply with the standard conditions that have been adopted by this court as well as with any additional conditions on the attached page.~~

## STANDARD CONDITIONS OF SUPERVISION

- ~~1) the defendant shall not leave the judicial district without the permission of the court or probation officer;~~
- 2) the defendant shall report to the probation officer in a manner and frequency directed by the court or probation officer;
- 3) the defendant shall answer truthfully all inquiries by the probation officer and follow the instructions of the probation officer;
- 4) the defendant shall support his or her dependents and meet other family responsibilities;
- 5) the defendant shall work regularly at a lawful occupation, unless excused by the probation officer for schooling, training, or other acceptable reasons;
- 6) the defendant shall notify the probation officer at least ten days prior to any change in residence or employment;
- 7) the defendant shall refrain from excessive use of alcohol and shall not purchase, possess, use, distribute, or administer any controlled substance or any paraphernalia related to any controlled substances, except as prescribed by a physician;
- 8) the defendant shall not frequent places where controlled substances are illegally sold, used, distributed, or administered;
- 9) the defendant shall not associate with any persons engaged in criminal activity and shall not associate with any person convicted of a felony, unless granted permission to do so by the probation officer;
- 10) the defendant shall permit a probation officer to visit him or her at any time at home or elsewhere and shall permit confiscation of any contraband observed in plain view of the probation officer;
- 11) the defendant shall notify the probation officer within seventy-two hours of being arrested or questioned by a law enforcement officer;
- 12) the defendant shall not enter into any agreement to act as an informer or a special agent of a law enforcement agency without the permission of the court; and
- 13) as directed by the probation officer, the defendant shall notify third parties of risks that may be occasioned by the defendant's criminal record or personal history or characteristics and shall permit the probation officer to make such notifications and to confirm the defendant's compliance with such notification requirement.
- 14) the defendant shall pay the special assessment imposed or adhere to a court-ordered installment schedule for the payment of the special assessment;
- ~~15) the defendant shall notify the probation officer of any material change in the defendant's economic circumstances that might affect the defendant's ability to pay any unpaid amount of restitution, fines, or special assessment.~~

DEFENDANT: S.A.C. CAPITAL ADVISORS, L.P.  
CASE NUMBER: 01:13crim541-01 (LTS)

### **SPECIAL CONDITIONS OF SUPERVISION**

Defendant must cease operating as an investment adviser and must not accept any additional funds from third-party investors. The timing and manner in which the investment advisory business of the Defendant wind down, its registrations become suspended or revoked, and it discontinues operations shall be on terms satisfactory to the Securities and Exchange Commission.

Defendant must maintain compliance policies and procedures reasonably designed to identify and prevent insider trading. Defendant must retain a compliance consultant, at its own expense, no later than ten days from 4/10/2014, to evaluate and report on the insider trading compliance procedures of the Defendant, affiliates, and any other existing or newly-formed entities owned or controlled by the owners of the Defendant involved in the trading of securities (collectively, the "Entities Subject to Compliance Review"). The compliance consultant shall:

- (1) promptly review the insider trading compliance procedures of the Entities Subject to Compliance Review;
- (2) identify any deficiencies in insider trading compliance procedures and provide the Entities Subject to Compliance Review with an opportunity to correct these deficiencies;
- (3) file, within 45 days of retention, a report with the Office of the United States Attorney that describes any insider trading compliance deficiencies identified and any steps the Entities Subject to Compliance Review have taken or agreed to take to correct these deficiencies;
- (4) file, within six months of retention, a report with the Office of the United States Attorney that describes progress by the Entities Subject to Compliance Review to correct the identified deficiencies; and
- (5) file, if deemed necessary by the Office of the United States Attorney in its sole discretion, a final report to that Office that addresses any continuing deficiencies identified in the six-month report.

Defendant is to be supervised by the district in which it operates its business.

DEFENDANT: S.A.C. CAPITAL ADVISORS, L.P.  
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**CRIMINAL MONETARY PENALTIES**

The defendant must pay the total criminal monetary penalties under the schedule of payments on Sheet 6.

|               | <u>Assessment</u> | <u>Fine</u>   | <u>Restitution</u> |
|---------------|-------------------|---|--------------------|
| <b>TOTALS</b> | \$ 800.00         | \$ 1 million as to Count 1 and \$25 million as to Count 2 | \$                 |

- ☐ The determination of restitution is . An *Amended Judgment in a Criminal Case (AO 245C)* will be entered after such determination.
- ☐ The defendant must make restitution (including community restitution) to the following payees in the amount listed below.

If the defendant makes a partial payment, each payee shall receive an approximately proportioned payment, unless specified otherwise in the priority order or percentage payment column below. However, pursuant to 18 U.S.C. § 3664(i), all nonfederal victims must be paid before the United States is paid.

| <u>Name of Payee</u> | <u>Total Loss*</u> | <u>Restitution Ordered</u> | <u>Priority or Percentage</u> |
|----------------------|--------------------|----------------------------|-------------------------------|
|----------------------|--------------------|----------------------------|-------------------------------|

|               |    |    |
|---------------|----|----|
| <b>TOTALS</b> | \$ | \$ |
|---------------|----|----|

- ☐ Restitution amount ordered pursuant to plea agreement \$
- ☐ The defendant must pay interest on restitution and a fine of more than \$2,500, unless the restitution or fine is paid in full before the fifteenth day after the date of the judgment, pursuant to 18 U.S.C. § 3612(f). All of the payment options on Sheet 6 may be subject to penalties for delinquency and default, pursuant to 18 U.S.C. § 3612(g).
- ☐ The court determined that the defendant does not have the ability to pay interest and it is ordered that:
- ☐ the interest requirement is waived for the ☐ fine ☐ restitution.
- ☐ the interest requirement for the ☐ fine ☐ restitution is modified as follows:

\* Findings for the total amount of losses are required under Chapters 109A, 110, 110A, and 113A of Title 18 for offenses committed on or after September 13, 1994, but before April 23, 1996.

DEFENDANT: S.A.C. CAPITAL ADVISORS, L.P.  
CASE NUMBER: 01:13crim541-01 (LTS)

### SCHEDULE OF PAYMENTS

Having assessed the defendant's ability to pay, payment of the total criminal monetary penalties is due as follows:

- A ☒ Lump sum payment of \$ 800.00 due immediately, balance due
- ☐ not later than \_\_\_\_\_, or  
☒ in accordance ☐ C, ☐ D, ☐ E, or ☒ F below; or
- B ☐ Payment to begin immediately (may be combined with ☐ C, ☐ D, or ☐ F below); or
- C ☐ Payment in equal \_\_\_\_\_ (e.g., weekly, monthly, quarterly) installments of \$ \_\_\_\_\_ over a period of \_\_\_\_\_ (e.g., months or years), to commence \_\_\_\_\_ (e.g., 30 or 60 days) after the date of this judgment; or
- D ☐ Payment in equal \_\_\_\_\_ (e.g., weekly, monthly, quarterly) installments of \$ \_\_\_\_\_ over a period of \_\_\_\_\_ (e.g., months or years), to commence \_\_\_\_\_ (e.g., 30 or 60 days) after release from imprisonment to a term of supervision; or
- E ☐ Payment during the term of supervised release will commence within \_\_\_\_\_ (e.g., 30 or 60 days) after release from imprisonment. The court will set the payment plan based on an assessment of the defendant's ability to pay at that time; or
- F ☒ Special instructions regarding the payment of criminal monetary penalties:  
Fines must be paid in full no later than 90 days from 4/10/2014.

Unless the court has expressly ordered otherwise, if this judgment imposes imprisonment, payment of criminal monetary penalties is due during imprisonment. All criminal monetary penalties, except those payments made through the Federal Bureau of Prisons' Inmate Financial Responsibility Program, are made to the clerk of the court.

The defendant shall receive credit for all payments previously made toward any criminal monetary penalties imposed.

☐ Joint and Several

Defendant and Co-Defendant Names and Case Numbers (including defendant number), Total Amount, Joint and Several Amount, and corresponding payee, if appropriate.

- ☐ The defendant shall pay the cost of prosecution.
- ☐ The defendant shall pay the following court cost(s):

☒ The defendant shall forfeit the defendant's interest in the following property to the United States:

Defendant is to forfeit \$900 million in accordance with the Stipulation and Order of Settlement, docket entry number 50 of U.S. v. S.A.C. Capital Advisors, L.P., number 13 Civ. 5182. This obligation includes \$616 million that certain of the defendants have already agreed to forfeit to resolve two parallel actions by the Securities & Exchange Commission involving some of the instant offense conduct. See SEC v. CR Intrinsic Investors, L.L.C et al., 12 Civ. 8466 (VM), and SEC v. Sigma Capital Management, LLC, 13 Civ. 1740 (HB).

Payments shall be applied in the following order: (1) assessment, (2) restitution principal, (3) restitution interest, (4) fine principal, (5) fine interest, (6) community restitution, (7) penalties, and (8) costs, including cost of prosecution and court costs.